



NOVEMBER 2020

What the term “fair wear and tear” means when it comes to making allowances for tenants

Some landlords question us when we tell them that we are required by law to make an allowance for fair wear and tear in their property. Unlike what you may think, this is by no means an excuse to let tenants get away with damaging your property.

The fact is, the older a property becomes and the less it is maintained, the more it will be subjected to natural wear and tear. A home is to be lived in, so you have to expect a reasonable amount of wear and tear to things like floor coverings, walls, doors and window furnishings. The same applies to your own home.

There is a trap that many people fall into however when it comes to wear and tear – complacency. The more things become worn, the harder it will be attract the best tenants. This can often lead to a domino effect whereby the wear and tear becomes exponentially worse as time goes by.

Knowing that it's much easier to keep a well maintained home in great condition than it is to maintain a home in poor condition, there is a general rule of thumb in property management that a rental property should have minor



refurbishments completed every seven to ten years. This could involve a fresh coat of paint, new floor coverings (or sanding and polishing of existing floor boards) and new window furnishings. In other words, around the seven year mark, the property has been exposed to seven years worth of “fair wear and tear”, meaning it is most likely starting to look a bit long in the tooth. Do nothing, and by the ten year mark, you may have a poorly presented property on your hands that you are unable to find quality house-proud tenants for.

Our best advice is to plan ahead by putting a bit of money aside each year if possible so that when it comes time to give the property some love, you will have the funds set aside for it (remember, money you spend on your investment property is tax deductible). By improving your property, you will have a far better chance of attracting and keeping good quality tenants who are not only house proud, but are also prepared to pay a premium for a premium home.

The NSW Government has extended the COVID-19 rental moratorium measures to 26 March 2021. The NSW Government introduced new measures to restrict when landlords can evict tenants due to rental arrears as a result of COVID-19.

More details on fairtrading.nsw.gov.au. Please feel free to discuss the matter to our Property Manager.



Hendra Wijaya
Principal

RECENT RENTALS

- 157/116 Maroubra Road, Maroubra
2 Bed 2 Bath 1 Parking \$525 pw
- G06/1-3 Larkin Street, Camperdown
2 Bed 2 Bath 1 Parking \$500 pw
- 613/1 Bruce Bennett Place, Maroubra
2 Bed 2 Bath 1 Parking \$525 pw

RECENT SALES



2/20 Chicago Avenue, Maroubra
3 Bed 2 Bath 2 Parking
SOLD for \$1.45M



4/205 Maroubra Road, Maroubra
2 Bed 2 Bath 1 Parking
SOLD for \$900K



Tenants moving out and it's time to re-lease? Here are eight top tips to ensure your property is as well-presented as possible.

- Street appeal is of paramount importance. You should ensure that your windows, doors and gutters are clean and that your pathway is clear. External paintwork should be touched up and endeavor to keep your garden looking healthy and well maintained.
- Do not forget the importance of clean carpets. Make your first impression count by providing a clean and fresh indoor environment. Your goal here is to make it easy for the tenants to envision themselves moving straight in!
- Repair everything that needs repairing! Replace any broken light fittings, tighten loose door handles, or damaged fly screens on windows and doors. If you have a leaky tap, fix it! Don't lose leasing opportunities because minor repairs have not been done.
- Rental properties should endeavor to look spacious and feel inviting for the potential new tenant. Keep it clutter-free, clean, well-lit and free of unpleasant odours that may exist.
- Keep your paint scheme to neutral colours. A neutral scheme will keep your interior design timeless and it will appeal to a wider group of tenants.
- Make sure all your electrical wiring are safe – including any electrical appliances that will be included in the property.
- Rental properties that are situated in a noisy location, should avoid inspection times during peak noise periods at the property.
- Protect yourself – take out comprehensive insurance, including Public Liability Insurance. This will protect you from any legal issues that may occur if a tenant injures themselves during the inspection.



**REPLACE ANY
BROKEN
LIGHT
FITTINGS,
TIGHTEN
LOOSE DOOR
HANDLES**

Better safe than sorry: Landlord Insurance

Word to the wise: if you're leasing a property without a current landlord insurance policy in place, you are putting yourself at huge financial risk. Although one hopes that nothing should go awry with your lease or your property, it is best to have the safety net of landlord insurance in place as a contingency plan for unexpected events.

Most tenants will respect your investment property and treat it as their own home – with care. In the rare circumstance that damage is done to your rental property, landlord insurance steps in to protect your asset.

A common feature of landlord insurance includes covering intentional damage to your property caused by tenants or their visitors. If your tenants do not pay their rent, your landlord insurance should cover any loss made.

Additionally, you should seek landlord insurance that covers theft or legal fees which may be incurred if you or your occupiers choose to take legal action over damage to your investment property.

Choose your landlord insurance carefully and pay close attention to policy details – your property manager will be able to refer you to reputable insurance providers should you require a referral.

PROPERTY MANAGERS LOVE EVERY TENANT.

Who pays their rent on time.

 **The Lighter Side**
OF ASSET MANAGEMENT